

INVESTIGATION INTO MINORITY AND WOMEN BUSINESS
PARTICIPATION IN CITY CONTRACTING
ABRIDGED EDITION: VOLUME II

DOCUMENTS DEPT.

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SUMMARY REPORT OF THE HUMAN RIGHTS COMMISSION OF SAN FRANCISCO

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INVESTIGATION OF MINORITY AND WOMEN BUSINESS PARTICIPATION IN CITY CONTRACTING

Volume II: ABRIDGED EDITION:

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PREFACE

The documents: Report Volumes I and II, Findings, and Proposed Remedial Legislation are the culmination of more than nine months of efforts, involving many people . The HRC staff's tasks involved formulating, advertising, and holding public hearings; identifying, contacting, and notifying City and County departments; collecting, analyzing, and evaluating departmental data and public testimony; and preparing, writing, typing, and collating drafts to complete a final version of the Report. The final version consists of the the Comprehensive Edition, with supporting documentation, and the Abridged Edition.

This Report resulted from allegations of discriminatory treatment in the award of prime contracts by City and County departments lodged with members of the Board of Supervisors, leading to the adoption of Board Resolution 952-82 on December 13, 1982, calling upon the Mayor to request the HRC to hold public hearings to investigate the extent of minority and women business participation in City and County contracts.

The Report is a compilation of data submitted by departments and oral and written testimony presented by business and community representatives. Every effort has been made to reflect accurately the information submitted, and to ascertain accuracies whenever feasible; however, the authors of this Report cannot attest to the precise authenticity of the data or the testimony. There may well be inaccuracies or omissions in the raw data or some double counting between the Purchasing Department and individual departments. However, staff attempted to reduce the error probability to 5% or less.



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All of those who testified, submitted written materials, and offered commentary added to the store of information that formed the basis of the Reports, Findings, and Remedial Legislation. The staffs of the 56 City and County departments, divisions, and bureaus surveyed provided the data necessary to comply with the Board of Supervisors' request to "determine the extent of minority business participation." A great deal of work was required to collect and compile the requested information because, even for those departments which maintain records as to the level of MBE and WBE participation, the data was not maintained in the manner requested by the HRC, necessitating retrieval of stored files and countless hours of work.

Many people have contributed to these documents, including especially the San Francisco Black Chamber of Commerce, Asian Inc., and other community groups and individuals, including minority and women participants. The San Francisco Black Chamber of Commerce, particularly James Jefferson and Zula Jones, and Hayden Lee, of Asian Inc. were instrumental in notifying and recruiting people to testify and to submit written testimony. Without their efforts these public hearings would not have been as successful and as representative as these were. The MBE/WBE Committee, an ad hoc subcommittee of the HRC, has been extremely helpful in reviewing drafts of the Report and providing input. Thanks are extended to Aileen Hernandez, James Jefferson, Zula Jones, Hayden Lee, Felix Munoz, Sam Norman, Eva Paterson, and Avonne Smith.

The Human Rights Commission gave this resolution priority by holding early public hearings and providing the oversight policy decisions to the Director and staff to ensure proper balance and representation, through its Administrative Committee, and holding two meetings of the full Commission, culminating in the adoption of the Comprehensive Edition, Abridged Edition, and Proposed Remedial Legislation at its regular meeting of October 13, 1983. The Commissioners participating were:

Thomas E. Ambrogi

Samuel H. Chung

Robert D. Edwards

Joe Ling Jung

Corrine Lee

Phyllis Lyon, Chairperson

John C. Morrissey

Joan Zamora Moulton

Richard A. Sevilla

Esta G. Soler

George A. Suncin

Brenda K. Wade, Vice Chairperson

Martin S. Weiner

David K. Yamakawa, Jr.

The staff of the Human Rights Commission and its Director carried the ultimate responsibility for the work involved in implementing Resolution

952-82. They gave this project a priority of their time and efforts and the completion and success of this project could not have been accomplished without them. Special recognition goes to Gail P. Roberts, who coordinated this project, acting as writer and editor.

I. SUMMARY

The Board of Supervisors adopted Resolution 952-82 on December 13, 1982. It was signed by the Mayor on December 17, and transmitted by the Clerk of the Board on January 11, 1983, directing the Human Rights Commission to investigate the extent of minority business participation in City and County contracts, agreements, and the procurements of goods and services and to hold public hearings. The Human Rights Commission thereafter on its own motion voted to include within its inquiry and review the extent of women-owned business enterprises. The HRC held four public hearings: February 24, March 2, March 24 and April 6, 1983. Written public testimony was solicited. Both the oral and written testimony were analyzed and tabulated. Fifty-six departments and/or bureaus were contacted and requested to submit data on the number and dollar amount of contracts awarded or let in calendar years 1981 and 1982 to minority business enterprises and women business enterprises. This information was collected, gaps identified, and data analyzed and evaluated. Departmental representatives were invited to testify and their testimony was analyzed.

The in-depth review of prime contracts, leases and other agreements by City Departments revealed that MBEs and WBEs received less than three percent (2.8%) of all contracts awarded during the base period of 1981 and 1982, which represented approximately \$25 million of a total amount in excess of \$869 million for the above-cited years. Moreover, Minority Business Enterprises represent in excess of 30% and Women Business Enterprises was 10% to 15% of San Francisco firms.

While some public testimony included allegations of overt discrimination in the award of contracts, the majority of witnesses testified to allegations of planned or benign exclusion from the notice, bidding, and award process by virtually all City departments. Moreover, nearly every witness testified that their efforts and requests to be included in the prime award process had usually been ignored by the staffs of City departments. More importantly, only one minority witness testified that he had been successfully awarded a contract in the regular course of conformance with the process.

Public testimony strongly supported substantially-increased MBE and WBE participation and the facilitation of such expanded participation through the adoption of remedial legislation by the Board of Supervisors. An urgent need was expressed for uniform and in-depth monitoring of contract-awarding agencies, with broader announcement of pending contracts and proposals. Witnesses argued that the process would not change, however, until the City provided special and technical assistance to the minority- and women-owned business enterprises which had been long excluded from the process.

The Human Rights Commission recommended City and County-wide annual goals of not less than thirty percent (30%) for Minority Business Enterprises and not less than ten percent (10%) for Women Business as the first step in implementing a policy to ensure the full and equitable participation by Minority Business Enterprises and Women Business Enterprises as prime contractors in the provision of goods and services to

the City and County on a contractual basis. The thrust of this program is to ensure the award of prime contracts to MBE/WBEs and to develop their status and capacity as prime contractors of the City and County of San Francisco. To make up for previous societal discrimination, contract awarding authorities shall set aside ten percent (10%) of the total dollar value of all contracts for MBEs and two percent (2%) for WBEs for each fiscal year. [Further, contract awarding authorities shall extend a five percent (5%) preference for a local business and five percent (5%) preference for a minority or women bidder or proposer; however, local minority or women bidder shall receive a ten percent (10%) preference.] The competition for negotiated contracts can be limited to MBEs or WBEs when utilization goals were fifty percent or less achieved. Other provisions are technical assistance to, bonding reductions for, and the establishment of a revolving fund to assist MBEs and WBEs. In addition, there shall be strict monitoring provisions and to imposition of sanctions where warranted.

CHAPTER ONE: INTRODUCTION

1. The Problem

Members of the Board of Supervisors as well as the Human Rights Commission have received complaints from associations and from individual minority business enterprises and women business enterprises that they have been denied prime contracts awarded by City Departments. They also complained that they were frustrated in attempting to find a procedure on how to compete effectively for prime contracts. While the staff of the Human Rights Commission had documented the participation of minorities and women as subcontractors in construction and design consultant contracts, and had collected employment and MBE/WBE statistics for the contracts monitored by the HRC, this agency did not have comprehensive data as to the extent of minority business participation as prime bidders in City-awarded contracts and procurements. Even though there was a great deal of anecdotal evidence that there was scant participation by MBEs and WBEs in City and County contracts, except as noted in construction and design consultant contracts, there was no definitive information from the departments of the City and County. However, there was an undercurrent of unrest and suspicion within the minority and women business enterprise communities that they were being systematically excluded from participation in the City and County's contracting and purchasing process.

2. Operating Authority

The Board of Supervisors adopted Resolution No. 952-82 on December 13, 1982, "Urging the Mayor to Request the Human Rights Commission to Investi-

gate and Hold Public Hearings with Respect to the Extent of Minority Business Participation in City Contracts and Procurements and to Propose Appropriate Remedial Legislation." This Resolution, signed by the Mayor on December 17, was transmitted by the Clerk of Board to the Human Rights Commission January 11, 1983.

RESOLUTION NO 952-82

(Investigation and Public Hearings)

URGING THE MAYOR TO REQUEST THE HUMAN RIGHTS COMMISSION TO INVESTIGATE AND HOLD PUBLIC HEARINGS WITH RESPECT TO THE EXTENT OF MINORITY BUSINESS PARTICIPATION IN CITY CONTRACTS AND PROCUREMENTS AND TO PROPOSE APPROPRIATE REMEDIAL LEGISLATION

WHEREAS, the population of the City and County of San Francisco is composed of people of various racial and ethnic groups; and

WHEREAS, many of these racial and ethnic groups have suffered for many years from economic, social and institutional discrimination in other parts of this country; and

WHEREAS, this discrimination has denied them access to participation in the mainstream of the economy; and

WHEREAS, the historical disadvantages of minority business enterprises have made it difficult, if not impossible, for them to develop large, efficient organizations able to compete on an equal footing with non-minority enterprises that have had many years to develop the

institutional structures and financial acumen to compete in the mainstream of the economy; and

WHEREAS, it is the policy of the City and County of San Francisco that the public's resources be expended in a fair and equitable way; and

WHEREAS, this policy is intended to ensure to all citizens equal opportunity to reap the economic benefits of doing business with Departments and Agencies within the City and County without regard to ethnic or racial background; and

WHEREAS, the Board of Supervisors desires to ensure that access to the benefits of business transactions with the City and County not perpetuate the historical disadvantages that minority business enterprises have suffered;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors urges Her Honor the Mayor to request the Human Rights Commission promptly to investigate and hold public hearings with respect to the extent of minority business participation in City and County contracts and procurements, including but not limited to: the purchasing of materials, supplies, equipment, insurance and contractual services; contracts, franchises, leases, concessions or other agreements involving real or personal property; and contracts involving the repair or construction of public works and improvements, and that the Human Rights Commission report back to the Board of Supervisors its findings and propose appropriate remedial legislation.

Supervisor Doris Ward

Supervisor Willie Kennedy

December, 1982

3. Objectives

The objectives of this investigation were:

1. To identify the number and dollar amount of City and County prime contracts and procurements;
2. To determine the extent of minority and women business participation in the award of contracts and procurements;
3. To specify the process used in awarding prime contracts;
4. To hold public hearings to solicit testimony as to whether or not MBEs and WBEs had bid on or sought prime contracts and had been awarded same;
5. To determine the changes, if any, to be made in the City and County's procurement and prime contracting process.
6. To prepare Findings, documenting the extent of minority and women business participation and the reasons for this participation level; and,
7. To propose appropriate remedial legislation to ensure fair and equitable participation of MBEs and WBEs in City contracts and procurements.

4. Methodology and Procedures

The HRC staff wrote 56 City and County departments, divisions, and/or bureaus beginning January 26, 1983, requesting information on the companies awarded

contracts, the dollar amount of the contracts, whether the successful company was an MBE or WBE, and the procedure used for letting prime contracts. Data requested was: for the time period of calendar years 1981 and 1982 in order to provide an overview of two years, particularly for those departments which awarded few or no contracts in any given year and to give a time sequence which would overlap most fiscal years. Fiscal Year (FY) FY 81-82 contracts were included in calendar year 1981 data and FY 82-83 contracts were included in calendar year 1982 data.

While a few departments responded promptly and did not need added communication with staff, others required assistance and many, repeated reminders. However, promptness of response did not necessarily convey accuracy. The City Purchaser was unable to compile the requested data, citing shortage of staff, and the absence of data; however, the City Purchaser did cooperate fully in making its records available to HRC staff for their compilation and made its staff available for consultation. All other respondents ultimately provided the information requested, some with varying amounts of HRC staff assistance.

Press releases were distributed to the news media on February 7. Paid public notices appeared in four editions of mass circulation newspapers. Beginning February 2, packets of information including letters of invitations and the Board Resolution were sent to more than 750 companies, associations, and individuals.

Fifteen people representing business and groups spoke at the February 24 hearing. The community speakers on March 2 numbered 13. There were 6 on March 24 and 8 at the final session, April 6.

Written testimony was solicited, and twenty responded, including three who submitted copies of their oral testimony, one who supplied supplemental information as requested by the HRC, and one who provided extensive documentation in support of her testimony.

A select group of representatives of departments which award large numbers of contracts was invited to provide focus for the testimony of minority and women business enterprises. At the February 24 hearing, representatives of three departments: City Planning, the Clean Water Program, and the Port of San Francisco, spoke. Representatives of the Department of Public Works, the San Francisco International Airport, the Department of Social Services, and the Controller spoke on March 2. Departmental presentations at the March 24 hearing were by the Purchasing Department and the Chief Administrative Office. At the April 6 continuation of the March 24 hearing were the Public Utilities Commission, City Planning, and the Purchasing Department representatives. These departments account for approximately 85% of all private prime contracts (for profit) awarded by City and County agencies.

CHAPTER TWO: KEY ISSUES

1. Public Testimony

Public testimony was received from 58 persons, representing organizations, companies, or themselves. Of these, 42 were oral presentations and 16 submitted written testimony. Those testifying argued for an MBE/WBE policy with strict monitoring; the establishment of local preference; liaison between the City and MBEs/WBEs for information accessibility; and the revision of affirmative action goals. The absence of a consistent City and County-wide policy was also a major concern.

What was characterized as the "Old Boy Network", or doing business with the same companies repeatedly by habit or convenience, was seen as a virtually insurmountable obstacle to expanding significantly MBE/WBE participation. Race discrimination was charged in six instances. Eight charged that some (non minority) prime contractors used MBE/WBEs subcontractors to qualify for contracts but that, once awarded, the subs' portions were frequently reduced or totally eliminated.

Among the problems cited in MBE/WBE participation were: lack of prompt payment; the need for technical assistance to MBE/WBEs; lack of availability of information on procedures used to choose consultants; and failure to disseminate information on bid solicitations and request for proposals, thereby effectively limiting minority participation.

To rectify the problems cited and to permit MBE/WBEs to participate equitably, numerous concrete recommendations were made, such as:

- a. Establishment of a City Liaison Office staffed by minorities and women;

- b. set-aside goals for MBEs and WBEs;
- c. training seminars for City staff awarding prime contracts;
- d. breaking down large prime contracts into smaller components;
- e. formation of a committee of minorities and women for selecting bona fide MBE/WBE contractors;
- f. an over-all central office listing all bids and Requests for Proposals pending and current;
- g. utilizing affirmative action compliance as a factor in employee staff performance evaluation;
- h. overall responsibility for increasing MBE/WBE participation vested in the Mayor and the Chief Administrative Officer; and
- i. a requirement on private developers who develop plans for City approval to implement MBE/WBE goals.

No public testimony supported continuation of the present award process status quo nor the present level of MBE/WBE participation.

Among the concerns articulated in public testimony was that MBEs and WBEs were recruited by companies seeking to be the winning bidder on a prime contract in order to conform to the HRC goals for subcontracting. Once the award had been made, MBEs and WBEs charged that they were frequently dropped altogether as subcontractors or their participation was reduced substantially or, further, that unwarranted costs were assessed against them, thereby reducing their share. It was alleged that having MBE/WBE goals apply only to subcontracting by the prime without strong post-award monitoring of subcontractor utilization does not help the very groups which the HRC is seeking to benefit by affirmative action programs.

Analysis of Oral Public Testimony

NAME	Submitted Proposal or Bid For Contract	Awarded Contract	MBE/WBE Subcontractors Used Only By Prime Contract & Then Dropped	Need MBE/WBE Policy With Strong Monitoring Essential	Affirmative Action Goals Need To Be Revised	Set-asides Recommended	Local Preference Recommended	Direct Assistance Needed For MBEs/WBEs	Assistance With Bonding Needed	Liaison Needed Between MBEs/WBEs & Departments For Information Accessibility	Racial Discrimination Charged	Old Boy Network A Hindrance	MBEs/WBEs Tried Unsuccessfully To Be Contacted By Awarding Agency	Absence of Consistent Policy Abhorred	Lowest Bid Requirements Hurts MBEs/WBEs
James D. Jefferson Pres. Black Chamber of Commerce				X									X		
Virgilia Talao Ocampo-Talao Construction Materials	X		X		X							X			
George Liu United Asian Contractors	X							X	X	X					X
Lewis N. Nelson Nat'l. Org. of Minority Architects			X	X	X									X	
Fred Jordan Jordan/Avent Engineering & Planning firm	X			X			X								
Wilson Chang Asian, Inc. Business Development				X			X			X				X	
Wilbur Chinn Asian/American Architects & Engineers			X	X	X					X				X	

[illegible]

<u>NAME</u>	Submitted Proposal or Bid For Contract	Awarded Contract	MBE/WBE Subcontractors Used Only By Prime Con- tract & Then Dropped	Need MBE/WBE Policy With Strong Monitoring Essential	Affirmative Action Goals Need To Be Revised	Set-asides Recommended	Local Preference Recommended	Direct Assistance Needed For MBEs/WBEs	Assistance With Bonding Needed	Liaison Needed Between MBEs/WBEs & Departments For Information Accessi- bility	Racial Discrimination Charged	Old Boy Network A Hindrance	MBEs/WBEs Tried Unsuc- cessfully To Be Contac- ted By Awarding Agency	Absence Of Consistent Policy Abhorred	Lowest Bid Requirements Hurts MBEs/WBEs
Alfred Williamson Williams & Associates - advertising	X			X							X				
Harold Brooks Business Development, Inc.											X	X			
Idaree Westbrook Dyra-Kor Micrographics	X			X						X			X		
Tyrone Cosey Dyra-Kor Micrographics				X											
Terry Francois Roach Pruef	X			X	X						X	X	X		
Aileen Hernandez Hernandez & Assoc.-consulting	X			X		X	X				X	X	X		
Pollo Smith Abec Medical Company				X		X							X		

NAME	Submitted Proposal or Bid For Contract	Awarded Contract	MBE/WBE Subcontractors Used Only By Prime Contractor & Then Dropped	Need MBE/WBE Policy With Strong Monitoring Essential	Affirmative Action Goals Need To Be Revised	Set-asides Recommended	Local Preference Recommended	Direct Assistance Needed For MBEs/WBEs	Assistance With Bonding Needed	Liaison Needed Between MBEs/WBEs & Departments For Information Accessibility	Racial Discrimination Charged	Old Boy Network A Hindrance	MBEs/WBEs Tried Unsuccessfully To Be Contacted By Awarding Agency	Absence of Consistent Policy Abhorred	Lowest Bid Requirements Hurts MBEs/WBEs
Celso Ortiz Attorney	X			X	X										
Ernie Lowe & Sons Construction	X	X	X				X								
Jim Hangabook Golden Gate Painting & Decorating	X	X	X		X	X					X			X	
Aristotle Walters, Jr. A.W.J. Transportation Consultants				X						X	X	X	X	X	
Lon Hanke Associated General Contractors						X		X		X					
Diane Alexander Lattimore Consulting Group				X								X	X	X	
Al Williams Pacific Management Systems				X	X			X		X		X			

GR:gm

* Awarded Clean Water contract; however one year later the approved work had already been completed.

2. Departmental Responses

Of the 56 departments, bureaus, or divisions contacted, 8 were bureaus or divisions subsumed under other reporting entities. Ten did no contracting, 4 contracted primarily with non-profit organizations, 19 reported 15 or less contracts per year, and 15 awarded in excess of 15 contracts annually.

The eight bureaus to which correspondence was initially sent which were subsumed under other reporting entities were: the Emergency Hospital, Laguna Honda Hospital, and San Francisco General Hospital which were handled through the Department of Public Health; included under the Public Utilities Commission, Hetch Hetchy, Municipal Railway, and the Water Department; the Employee Relations Division, which has a contract with the Board of Supervisors; and The Bureau of Architecture, a bureau subsumed under the Department of Public Works.

Those ten departments doing no contracting were; the Asian Art Museum, Board of Permit Appeals, Adult Probation, the California Academy of Science, Electricity, Emergency (Disaster) Services, Public Defender, Registrar of Voters, and Special Project division of the Mayor's Office. The California Academy of Science acts as its own non-profit corporation.

Four departments contract primarily with non-profit organizations, the Assessor, the Commission on the Aging, the Mayor's Criminal Justice Council, and the Mayor's Office of Housing and Community Development. The Assessor has audit contracts with state agencies. Minority and/or women-dominated services agencies were used extensively by the other three departments.

Reporting 15 or less contracts per year were 19 entities: the Board of Supervisors, City Attorney, City Planning, Civil Service, District

Attorney's Office, Economic Development Advisory Council, Fine Arts Museum, Fire Department, Health Service System, Parking Authority, Police, Public Administrator/Public Guardian, Real Estate, Recreation and Park, Retirement System, Sheriff's Department, Social Services, Tax Collector, and War Memorial Board.

The 15 departments and bureaus reporting in excess of 15 contracts annually were: the Art Commission, the Chief Administrative Officer, Clean Water, Community College, Controller, Juvenile Court, Law Library, Mayor's Office of Employment and Training, Port, Public Health, Public Utilities, Public Works, Purchasing, San Francisco International Airport, and the Treasurer. The awards of these departments range from 22 contracts to 16,142 purchase orders in one year. However, the sheer number of contracts was not directly proportional to the total dollar amount awarded by a department. For example, the Clean Water Program had four construction contracts and eleven consultant contracts in 1981 for dollar amounts respectively of \$206,697,528 and \$17,445,205, totaling \$224,142,733. At the other extreme was the Juvenile Court, with 35 contracts totaling \$10,000. Generally, the departments with which the HRC has work order funding to monitor and implement affirmative action programs, the Clean Water, Convention Facilities, Port, and SFIA, have significantly higher MBE and WBE participation than those with which the HRC does not have such a relationship. However, this participation is almost exclusively at the level of subcontracts, because the HRC program requires the prime contractor, rather than the awarding authority, to meet MBE and WBE goals.

Three departments: Recreation and Park, the San Francisco International Airport, and the War Memorial Performance Arts Center, reported funds received from concessions and leases. Recreation and Park reported 47 leases in 1981 for \$21,748,325. Of these, three, or .5% for \$116,721 were to MBEs. None were to WBEs. The San Francisco International Airport reported 75 concessions in 1981 for \$90,108,000. Of these MBEs had 9 for \$120,474, or .13%, and WBEs had 2 for \$1,780, or .0019%. For 1982, 87 concessions were reported totalling \$122,132,000. Of these, 9 were to MBEs for \$120,474, or .13%, and 2 were to WBEs for \$1,780, or .0019%. The War Memorial Performing Arts Center had two concessions. The revenue received by the Center was \$162,400 for FY 81-82 and \$157,647 for FY 82-83.

Deposits of City funds by the Treasurer in banks and savings and loans were not included in the chart of City contracts because these were time deposits which did not meet the classical definition of contracts. The bulk of the banks were wholly-owned subsidiaries of foreign corporations. However, the savings and loans were primarily domestically-owned. For FY 81-82, \$123,009,152 was deposited in 51 banks and S&Ls. For FY 82-83, \$67,970,883 was deposited in 46 institutions.

Three franchises were awarded. Two: Golden Gate Disposal Company and Sunset Scavenger Company were awarded through the Department of Public Works for garbage pick up, while the cable television franchise was awarded by the Board of Supervisors to Viacom Cablevision.

TABLE 1: CITY CONTRACTS AWARDED DURING CALENDAR YEAR 1981 OR FISCAL YEAR 1981-1982 to FOR-PROFIT COMPANIES

DEPARTMENTS	# OF CONTRACTS	\$ OF CONTRACTS	# OF MBES	\$ OF MBES	% OF MBES	# OF MBES	\$ OF MBES	% OF MBES
Adult Probation	0	0	0	0	0	0	0	0
Commission on Aging	NP							
Art Commission	27	706,979	5	181,300	26	9	60,429	9
Asian Art Museum	0	0	0	0	0	0	0	0
Assessor	NP							
Board of Supervisors	2	749,128	0	0	0	0	0	0
California Academy of Science	0	0	0	0	0	0	0	0
Chief Administrative Officer								
. Solid Waste Program	NP							
. Publicity & Advertising	90	3,600	26	294,815	8.2	0	0	0
. Risk Management	1	22,542	0	0	0	0	0	0
. Convention Facilities	14	8,000,000	3	678,000	8.5	0	0	0
City Architect	See DPM							
City Attorney	13	1,627,300	0	0	0	0	0	0
City Planning	4	40,000	0	0	0	2	4,500	12
Civil Service X	6	129,634	0	0	0	0	0	0
Clean Water Program	26	224,142,733	2	7,233,935	3.5	-	-	-
. Construction	(4)	(206,697,528)	(2)	(7,233,935)	(3)	0	0	0
. Design Consultant	(22)	(17,445,205)	0	0	0	0	0	0
Community College District	146	1,750,000	27	62,894	3.6	24	11,619	0.7
Controller	114	8,469,630	0	0	0	1	18,000	0.2
District Attorney	0	0	0	0	0	0	0	0
Economic Development Advisory Council	14	302,000	4	75,000	25	5	200,000	66
Electricity	0	0	0	0	0	0	0	0
Emergency Hospital Service	See Public Health							
Emergency Services	0	0	0	0	0	0	0	0

Table I - Con't FY 1981-82

DEPARTMENTS	# OF CONTRACTS	\$ OF CONTRACTS	# OF MBES	\$ OF MBES	% OF MBES	# OF WBES	\$ OF WBES	% OF WBE
Employee Relations	See Board of Supervisors							
Fine Arts Museum	0	0	0	0	0	0	0	0
Fire Department	8	152,740	0	0	0	0	0	0
Health Service System	7	19,386,528	0	0	0	0	0	0
Hetch Hetchy	See PUC							
Juvenile Court	35	10,000	0	0	0	0	0	0
Laguna Honda Hospital	See Public Health							
Law Librarian	30	238,836	0	0	0	0	0	0
Mayor's Criminal Justice Council	NP							
Mayor's Office Employment Training	101	635,923	29	34,649	6	7	17,403	3
Mayor's Office of Housing &								
Community Development	1	25,000	1	25,000	100	0	0	0
Parking Authority	2	4,497,700	1	1,993,700	44.3	0	0	0
Permit Appeal	0	0	0	0	0	0	0	0
Police Department	8	131,379	0	0	0	0	0	0
Port	NR							
Public Administrator X	2	140,000	1	125,000	89	0	0	0
Public Defender	0	0	0	0	0	0	0	0
Public Health	59	2,032,081	2	11,693	0	0	0	0
Laguna Honda Hospital	5	137,060						
S.F. General Hospital	25	977,121						
Public Library	0	0	0	0	0	0	0	0
Public Utilities	66	10,453,377	0	0	0	1	20,000	0.2
Construction	40	7,667,398	0	0	0	0	0	0
Professional Services	18	2,680,415	0	0	0	0	20,000	(0.8)
Procurement	8	175,564	0	0	0	0	0	0
Public Works								
Construction	402	41,565,267	37	2,458,686	6	0	0	0
City Architect	18	140,150	3	18,917	14	0	0	0

Table I - Con't FY 1981-82

DEPARTMENTS	# OF CONTRACTS	\$ OF CONTRACTS	# OF MBES	\$ OF MBES	% OF MBES	# OF MBES	\$ OF MBES	% OF MBE
Purchasing	3216	106,887,393	64	1,862,233	0.7	0	0	0
Purchase Orders	0	(30,619,697)	0	0	0	0	0	0
Term Purchase Agreements	0	(76,267,696)	0	0	0	0	0	0
Real Estate Dev.	4	27,050	0	0	0	0	0	0
Recreation & Park	(47) C/L							
Registrar of Voters	0		0		0	0		0
Retirement System	8	222,420	0	0	0	0	0	0
S.F. General Hospital	See Public Health							
S.F. Intl. Airport	35	74,124,213	3	81,400	0.1	0	0	0
Construction	(75 C/L							
Sheriff	NP							
Social Services	15	4,523,902	3	143,519	4	6	214,758	5
Special Projects	0	0	0	0	0	0	0	0
Tax Collector	2	NR	0	0	0	0	0	0
Treasurer	2	NR						
War Memorial Bd.	1	205,000	0	0	0	0	0	0
Water Department	2 C/L							
	See PUC							
TOTAL:	4,509	516,053,086	211	15,318,342	2.97	47	549,209	.11

Note: Subtotals marked by () not included in grand total

NP: Contracts awarded only to non-profit groups

C/L: Concessions and leases, reported separately as revenue

NR: None reported

X: Departments did not identify the year, reported in each

Note: Female minority is double-counted as MBE and WBE

TABLE 11: CITY CONTRACTS AWARDED DURING CALENDAR YEAR 1982 OR FISCAL YEAR 1982-1983 to FOR-PROFIT COMPANIES

DEPARTMENTS	# OF CONTRACTS	\$ OF CONTRACTS	# OF MBES	\$ OF MBES	% OF MBES	# OF WBES	\$ OF WBES	% OF WBE
Adult Probation	0	0	0	0	0	0	0	0
Commission on Aging	NP							
Art Commission	34	1,034,530	12	373,600	37	11	47,910	5
Asian Art Museum	0	0	0	0	0	0	0	0
Assessor	NP	0	0	0	0	0	0	0
Board of Supervisors	2	806,799	0	0	0	0	0	0
California Academy of Science	0	0	0	0	0	0	0	0
Chief Administrative Officer								
. Solid Waste Program	7	78,177	3	29,291	37.5	2	16,916	21.6
. Publicity & Advertising	96	3,599,738	24	320,240	9	0	0	0
. Risk Management	1	169,956	0	0	0	0	0	0
. Convention Facilities	5	1,687,600	1	12,500	0.7	0	0	0
City Architect	See OPW							
City Attorney	20	1,716,200	1	35,000	2	0	0	0
City Planning	4	82,772	0	0	0	2	60,670	74
Civil Service X	6	129,634	0	0	0	0	0	0
Clean Water Program	26	6,432,942	2	1,091,658	17	0	0	0
. Construction	(4)	1,356,327	0	0	0	0	0	0
. Design Consultant	(22)	5,076,615	(2)	(1,091,688)	(17)	0	0	0
Community College District	146	1,750,000	27	62,894	3.6	24	11,694	0.7
Controller	114	11,751,401	0	0	0	1	101,495	0.9
District Attorney	0	0	0	0	0	0	0	0
Economic Development Advisory Council	NR							
Electricity	0	0	0	0	0	0	0	0
Emergency Hospital Service	See Public Health							
Emergency Services	0	0	0	0	0	0	0	0

Table II Con't - FY 1982-83

DEPARTMENTS	# OF CONTRACTS	\$ OF CONTRACTS	# OF MBES	\$ OF MBES	% OF MBES	# OF MBES	\$ OF MBES	% OF MBE
Employee Relations	See Board of Supervisors							
Fine Arts Museum	0	0	0	0	0	0	0	0
Fire Department	7	231,560	0	0	0	0	0	0
Health Service System	7	22,894,593	0	0	0	0	0	0
Hetch Hetchy	See PUC							
Juvenile Court	35	10,000	0	0	0	0	0	0
Laguna Honda Hospital	See Public Health							
Law Librarian	NP							
Mayor's Criminal Justice Council	NP							
Mayor's Office Employment Training	NP							
Mayor's Office of Housing &								
Community Development	1	25,000	1	25,000	100	0	0	0
Municipal Railway	See PUC							
Parking Authority	1	5,351,200	1	1,172,578	21.9	0	0	0
Permit Appeal	0	0	0	0	0	0	0	0
Police Department	11	2,518,633	0	0	0	0	0	0
Port	63	1,212,619	2	52,560	4.3	0	0	0
Public Administrator X	2	140,000	1	125,000	89	4.5	106,788	9
Public Defender	0	0	0	0	0	0	0	0
Public Health	77	1,994,881	2	8,942	0.4	20	342,380	17
Laguna Honda Hospital	6	299,522	0	0	0	0	0	0
S.F. General Hospital	20	921,598	0	0	0	0	0	0
Public Library	0	0	0	0	0	0	0	0
Public Utilities	66	81,719,582	1	3,613,853	0.4	0	0	0
Construction	49	64,711,464	0	0	0	0	0	0
Professional Services	15	16,042,018	1	3,613,853	23	0	0	0
Procurement	2	936,100	0	0	0	0	0	0
Public Works								
Construction	402	41,565,267	37	2,458,686	6	0	0	0
City Architect	18	140,150	3	18,917	14			

Table II - Con't FY 1982-83

DEPARTMENTS	# OF CONTRACTS	\$ OF CONTRACTS	# OF MBES	\$ OF MBES	% OF MBES	# OF WBEs	\$ OF WBEs	% OF WBE
Purchasing	3655	186,819,562	47	2,280,455	1.22	4	13,936	.007
Real Estate Dev.	10	70,331	0	0	0	0	0	0
Recreation & Park	47 C/L	0	0	0	0	0	0	0
Registrar of Voters	0	0	0	0	0	0	0	0
Retirement System	NR							
S.F. General Hospital	See Public Health							
S.F. Intl. Airport	28	951,398	5	11,284	11.6	0	0	0
. Construction	87 C/L							
Sheriff	NP							
Social Services	13	5,658,113	3	123,480	2	5	205,800	4
Special Projects	0	0	0	0	0	0	0	0
Tax Collector	2	335,765	0	0	0	0	0	0
Treasurer	2	33,600	0	0	0	0	0	0
War Memorial Bd.	NR							
Water Department	See PUC							
TOTAL	4720	353,502,455	175	8,202,085	2.32%	73.5	907,589	.26%

Note: Subtotals marked by () not included in grand total

NP: Contracts awarded only to non-profit groups

C/L: Concessions and leases, reported separately as revenue

NR: None reported

X: Departments did not identify the year, reported in each

Note: Female minority is double-counted as MBE and WBE

3. MBE/WBE Participation in City Contracts as Subcontractors

For the construction contracts monitored by the Human Rights Commission, of the \$275,297,127 was awarded during the 1981 period, [February, 1980 - September, 1981] of this, 18.0% or \$49,643,787 went to MBEs, of which, 79.03% or \$39,235,213 were for subcontracts, while only \$10,408,574 or 20.97% were to MBE primes, including joint ventures. All of the \$308,874 or .1% to WBEs were subcontracts.

In the 1982 calendar year, the total dollar amount of construction contracts was \$61,839,600. The MBE portion, 20.5%, was \$12,678,434. Over 90% [91.37%] or \$11,583,983 were for MBE subcontracts, leaving 8.65% or \$1,044,451 for MBE prime contractors. All of the \$282,662 or .5% for WBEs was at the subcontracting level.

For the construction architects and engineer contracts monitored by the Human Rights Commission, MBEs participated approximately equally as prime and as subcontractors. In 1981, A/E MBEs were 37% or \$9,300,447 of the total dollar amount of \$25,289,591. Of that prime contracts to MBEs were \$3,988,452, 42% of the MBEs participation or 15.78% of the total contracting dollar. MBE subcontracting accounted for \$5,311,995 or 57.12% of the MBE total or 21.01% of the overall total. WBEs were all subs and received \$658,408 or 3%.

In 1982, the total A/E contracts were \$37,873,058, of which MBEs were \$14,076,319 or 37%. The participation of MBEs as primes was even greater than in 1981: 19% of the total contracting dollar or 51.12% of MBE contracts totaled \$7,195,881.02 as primes. MBE subcontracting was \$6,880,437.98 or 48.88% of all MBEs or 18.17% of the total. WBEs at 4.54% or \$1,721,070, were all subcontractors.

No department was requested to submit subcontracting data as part of this report. The subcontracting information included herein was from those contracts above as specified dollar amount monitored by HRC staff. Between one-fourth to one-half of the construction and A & E contracts awarded in departments monitored by the HRC were not included because these fell below the dollar monitoring level.

4. Availability

Using as the base, San Francisco County 1980 population was 678,974 and the San Francisco-Oakland Standard Metropolitan Statistical Area (S.M.S.A.) was 3,252,721. San Francisco has 47% minorities and the S.M.S.A has 22.82% minorities. These figures are taken from the 1980 Census. The goal of 30% for MBEs proposed in the remedial legislation was arrived at by the combination of both factors: San Francisco and the S.F.-Oakland (S.M.S.A.) came to 37.6%. 7.6% is the average for error that could be adjusted. With respect to the percentage of Women, San Francisco had a population that was over 50%, and the S.F.-Oakland S.M.S.A., 48%. Women represent 45.19% of the civilian labor force in San Francisco and 44.35% of the S.F.-Oakland S.M.S.A. There is more than enough justification for the 10% for WBEs in the proposed legislation.

MBEs are in excess of 30% and WBEs are between 10% to 15% of San Francisco firms.

An availability estimate against which the ethnic distribution of contract awards to architects and engineers can be measured by analyzing the ethnic distribution of MBEs in the Minority and Woman-Owned Business

Enterprise Directory, San Francisco Bay Area, Architects/Engineers/Planners and Related Services, published in January of 1983 by the HRC and Environmental Science Associates, Inc. Availability was difficult to assess accurately, as it is influenced by the number of firms which actually want to work for the City and also by the number of firms offering the kinds of services the City needs in any given year. However, the Directory was the result of a concerted outreach effort and indicated, at least, some interest in City work by the listed consultants as each responded to the HRC's invitation to be included. In order to indicate the widely increased availability of MBEs of all ethnic groups over the last three years, a comparison of the 1980 and 1983 editions of the Directory is provided. The ethnic breakdown of the firms in those Directories was:

<u>Minority Firms</u>	<u>1980</u>		<u>1983</u>	
	Number	Percent	Number	Percent
Black	18	14%	71	28%
Hispanic	15	12%	34	13%
Asian	90	72%	140	55%
Filipino	1	1%	8	3%
Native American	1	1%	2	1%
<hr/>				
TOTAL	125	100%	255	100%

Asian, Black, and Hispanic contractors represented 96% of the MBE/WBE participation in construction contracts. The underrepresentation of American Indians, Filipinos, and women was apparently due to their extremely limited availability as construction firms.

CHAPTER THREE: FINDINGS AND CONCLUSIONS

1. Findings

The Human Rights Commission, having conducted public hearings in February, March, and April of 1983 to determine the extent of Minority and Women Business participation in City and County contracts pursuant to Resolution 952-82, adopted the Board of Supervisors on December 13, 1982, heard the testimony of forty-two witnesses, and reviewing the transcripts and the written submittals of sixteen minority, women, and small business representatives, hereby submits its Findings:

- a. That the departments and awarding authorities of the City and County of San Francisco are functioning without specific uniform standards and criteria in the award of contracts and leases of the City and County;
- b. That the award of non-construction contracts is mainly at the discretion of the awarding authority staff, resulting in the award process being available to a very limited environment within the business community;
- c. That the in-depth review of prime contracts, leases and other agreements by City departments reveals that Minority Business Enterprises (MBEs) and Women Business Enterprises (WBEs) received less than three percent (2.8%) of all prime contracts (exclusive of subcontracts) awarded during a base period of 1981 and 1982, and that this represented approximately \$25 million of a total amount in excess of \$869 million for the above- cited years. Moreover, Minority Business Enterprise represent in excess of 30% and WBEs being 10% to 15% of San Francisco firms.

- d. The survey result is an objective standard for holding that such a practice constitutes a de facto form of exclusion of minorities and women-owned businesses from the City and County award process and causes irreparable economic, and social harm to these protected classes of which minorities represent 47% of the population and of which woman represent 45% of the civilian labor force of the City and County;
- e. That the exclusion of MBEs and WBEs will persist unless there is affirmative action on the part of the Board of Supervisors and the Mayor;
- f. That this lack of a policy tends to give preference to majority businesses, to the virtual exclusion of the participation of MBEs and WBEs in the prime award process;
- g. That the competitive bid process as applied to construction and suppliers permits exception within the process which tends to eliminate MBEs and WBEs from an equal opportunity to compete for an equitable share of said prime awards; and that this process is detrimental to the development, growth, and operation of MBEs and WBEs within the City and County;
- h. The Commission further finds that the exclusion of MBE's and WBE's was due, in part, to the lack of notice of bids and proposals by the limited advertisement and outreach of such business opportunities to the MBE/WBE community;
- i. That other conditions in the general and special bids and proposals, are more often unrelated to actual performance, such as excessive bonding and insurance requirements, are other factors which have the effect of eliminating MBEs and WBEs from a fair chance to bid and compete for prime awards;

- j. That the overall effect of the aforesaid practices has operated in the past, continues to exist, and creates an invidious form of discrimination against minorities and women who seek to operate businesses within the City and County of San Francisco; and
- k. That immediate institution of remedial and corrective actions by enactment of Fair Rules, Procedure, and Legislation by the Board of Supervisors will reduce serious inequities and intergroup tensions that can erode trust in government and reduce the peace and harmony that must exist between the various ethnic and other protected classes within the City and County of San Francisco.

2. Conclusions

Whether by de jure or de facto actions of various departments, the testimony indicated and the survey confirms a virtual exclusion of Minority and Women-Owned Business Enterprises from participation in the award process for City publicly-financed contracts. Moreover, the testimony from both the public and private sector documented a "business-as-usual" attitude or "old boy network" as the basis for most of the contracting by City and County departments. This attitude was best exemplified by the statements of two departmental representatives: "A firm not having had a contract previously with DPW (Department of Public Works) would probably never get one because prior experience with DPW was a requirement for selection" and "I don't know why this insurance carrier was selected because it predates my involvement and I have been with the department for 30 years. The broker from whom the company was originally selected has long since been deceased." The public testimony contained overwhelming evidence of the unavailability of information on pending contracts and the need for technical assistance to MBEs and WBEs.

The extent of minority and women business participation in City and County awarded prime contracts, agreements, and procurements was determined to be less than three percent (2.87%) of the total dollar amount:

\$869,555,541, awarded during the period surveyed. MBE participation in the two base-years was 386 contracts for \$23,520,427, while WBE participation was 120.5 contracts for \$1,456,798. The percentages of dollars awarded were 2.70% for MBEs and .16 of one percent for WBEs. The percentages of the total number of contracts, 9229 were 4.18% for MBEs and 1.30% for WBEs.

Only those departments whose specific charge is to provide funding to non-profit community-based agencies and are funded by the federal government tended to award contracts to minority or women-managed organizations. The pattern exhibited by departments for which the HRC provides contracts compliance monitoring and negotiated affirmative action agreements is that the MBE and WBE participation is almost exclusively at the level of sub-contracts. The data reported to HRC was at the time of the prime contract award and ample public testimony was submitted, documenting that many of the subcontractors listed by the prime either were cut out entirely or had their designated share reduced substantially during performance.

The rationale for requiring that the goals be based on prime contracts rather than permitting subcontracts to be credited towards the goal is three-fold: 1. provision for overhead expenses is incorporated into the prime but not subcontract; 2. profit is greater for the prime; and 3. the prime contractor does the selecting, utilization, and ultimate payment of subcontractors. Testimony was presented that once the award had been made, MBEs and WBEs were frequently dropped altogether as subcontractors or their participation was reduced substantially or, further, that excessive charges

were assessed against them, thereby reducing their share. Having MBE/WBE goals apply only to subcontracting by the prime may not actually help the very groups which the HRC sought to benefit by affirmative action programs.

The overall numerical participation by minorities and women in City contracts and procurements was 5.49%, while the proportion of total dollar amount of their participation in terms of monies earned was even smaller, 2.87%.

According to the Contract Administrator, Recreation and Park Engineering Division, Department of Public Works, a firm not having had a contract previously with DPW would probably never get one because prior experience with DPW was a requirement for selection. This was a candid statement, but typical of the custom prevalent in all departments. The preponderance of evidence supported the conclusion that awarding agency staff continually contracts only with known suppliers, putting forth little or no effort to locate or select minority, women-owned, or local businesses.

Most departments in their responses to the HRC stated that the ethnicity of the contractor was unknown to them, demonstrating a lack of sensitivity to or knowledge and awareness of minorities and women. Indeed, it has been charged that some staff have actually discriminated on the basis of race in awarding contracts. Certainly, potential bidders have not found information on pending contracts to be readily available and technical assistance, which would make it feasible for many MBE/WBEs to bid and bid successfully, has not been provided. Even those MBEs/WBEs which are located in San Francisco, pay taxes, and employ local residents, have been denied the opportunity to do business with the City and County of San Francisco in a fair and equitable manner.

CHAPTER FOUR: RECOMMENDATIONS

1. Highlights

The significant points of the recommendations are:

- a. the City and County-wide annual goal shall be not less than 30% for MBEs and 10% for WBEs.
- b. a set-aside program of 10% for MBEs and 2% for WBEs;
- c. a 5% preference for minority and women-owned businesses and a 5% preference for locally-owned business with a 10% preference for local minority and women-owned businesses;
- d. limit competition for negotiated contracts to MBEs and WBEs wherever the departmental goals have not been met;
- e. incorporate departmental goals into quarterly Management by Objective (MBO) targets;
- f. establishment of a revolving fund to assist MBE/WBEs to meet bonding, insurance, and other fee-related requirements;
- g. establish a central office to where all bids, RFPs, and solicitations will be listed;
- h. waive bonding requirements for and/or make advance payments to MBEs and WBEs;
- i. arrange contracting by size and type of work to be performed;
- j. solicit and obtain bids and proposals from MBEs and WBEs;
- k. technical assistance to MBEs and WBEs; and
- l. strict monitoring provisions and the imposition of sanctions.

2. Major Modifications

Establish set-asides of ten percent (10%) of the total dollar value of all contracts to be awarded by each contract awarding authority for MBEs and two percent (2%) for WBEs for the fiscal year.

To the extent permissible under applicable law and where a contract awarding authority does not appear able to achieve its utilization goals by another available alternative, then a contract awarding authority may limit competition for certain negotiated contracts to MBEs or WBEs or both.

When advisable, awarding agencies shall waive bid bonding requirements for and/or make advance payments to MBEs and WBEs.

To the maximum extent feasible and consistent with State law, awarding authorities shall arrange contracting by size and type of work to be performed. The Mayor and the Chief Administrative Officer shall require departments to adopt procedures and to designate a staff person to be responsible for responding to the HRC and to the requirements of the Ordinance.

3. Implementing Procedures

1. Goals

The City and County-wide annual goal shall be not less than 30% for MBEs and 10% for WBEs.

2. Standards

- (a) Awarding authorities shall solicit and obtain bids and proposals from MBEs and WBEs
- (b) Where subcontracting, the contractor must make every effort to subcontract or to purchase from MBEs and WBEs and contractors shall be required, during the term of the

- contract, to fulfill the MBE and WBE participation commitments submitted with their bid or proposal;
- (c) Bids and proposals shall identify the particular MBEs and WBEs to be utilized or performing the contract, specifying for each the dollar value of the participation, and the type of work to be performed;
 - (d) Where contract supplements, amendments or change orders are made which cumulatively increase the total dollar value of the contract by more than 10% of the dollar value of the original contract, the contractor shall be required to meet the MBE and WBE goals for this increase;
 - (e) The HRC shall assist City and County departments and community agencies to increase MBE and WBE participations.
 - (f) Each contract awarding authority is to include in its departmental Management-By-Objectives, objective measures for the total dollar amount of prime contracts awarded and the percentage of that dollar amount awarded to minority business enterprises and to women business enterprises;

3. Procedures

- (1) The HRC shall adopt rules and regulations, consistent with this ordinance and the Administrative Code, establishing standards and procedures.
- (2) The HRC shall certify businesses as bona fide minority business enterprises and women business enterprises and maintain a listing of such businesses for use by contract awarding authorities and contractors.

- (3) The awarding authorities shall submit to a central office current bids, Requests for Proposals, and solicitations with sufficient lead time to provide adequate notice and opportunity to MBEs/WBEs to participate.
- (4) The awarding authorities agencies shall provide information and technical assistance to MBEs and WBEs to increase their ability to compete effectively for the award of City and County contracts;
- (5) The HRC shall develop educational programs and otherwise assist MBEs and WBEs.
- (6) For all contracts for public works and contracts for consultant or other services, the contract awarding authority shall furnish the Director of the HRC with an informational copy of all bid conditions and requests for proposals;

4. Monitoring

- (a) The HRC shall review quarterly the progress of departments and awarding authorities toward achievement of their annual goals for the utilization of MBEs and WBEs.

5. Sanctions

- (1) During the term of the contract, any failure to comply with the levels of MBE or WBE participation identified in the bid or proposal shall be considered a material breach of contract.
- (2) The Human Rights Commission shall impose or shall request the contract awarding authority to impose such sanctions or

take such other actions as are designed to ensure compliance which shall include:

- a. refusal to certify the award of a contract,
- b. order the suspension of a contract,
- c. order the withholding of funds;
- d. order the revision of a contract based upon a material breach of contract provisions pertaining to MBE utilization,
- e. disqualification of a bidder, contractor, subcontractor, or other business from eligibility for providing goods or services to the City and County for a period not to exceed two years
- f. when the contract awarding official has been determined to be culpable in the finding of non-compliance, that factor is to be communicated to the Mayor or the Chief Administrative Officer.

6. Reporting

The Director of the HRC shall submit an annual report to the Mayor, the Chief Administrative Officer, and the Board of Supervisors on the progress of the City and County toward the MBE and WBE goal, together with an identification of problems and specific recommendations for improving the City and County's performance.

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MINORITY STATEMENT BY COMMISSIONER JOHN C. MORRISSEY

Authorized by vote of the Human Rights Commission at its Regular meeting October 13, 1983 to be included as an Addendum Following Chapter Four: Recommendations of the Summary Report, Abridged Edition: Volume II, Investigation into Minority and Women Business Participation in City Contracts.

In voting to adopt the Report and Findings I do not wish to imply that the City and County is practicing overt racial or sexual discrimination. Our hearings and written exhibits submitted revealed no significant evidence of any violation of the City and County's policy of nondiscrimination. I regret that I could not persuade my colleagues to have the Report reflect this.

Despite the lack of any overt discrimination, the relatively small participation of MBEs and WBEs in City and County prime contracts indicates the effect of past; and some present, societal discrimination against women and racial minorities. Nevertheless, this Report should not be read as an indictment of the present Administration of the City and County.

Dictated October 13, 1983

